



Qualified High Deductible Health Plan (QHD) & Health Savings Account (HSA) FAQ

Q: How do qualified/non-qualified expenses work?

A: If you use your HSA funds for a qualified expense, they can be used pre-tax with no penalty. Non-qualified expenses will incur a 20% penalty in addition to income taxes.

After age 65, you can use your funds for anything, and the 20% penalty will not apply. Non-qualified expenses will still require income tax to be paid.

Q: Is the list of qualified expenses the same for an HSA account as it is for the FSA?

A: Yes, qualified expenses are the same for both accounts.

Q: Can I use my 2023 HSA funds to pay for medical bills incurred in 2022?

A: No, your HSA funds may only be applied to medical costs incurred on or after the plan's start date.

Q: If I enroll in a payment plan for a large, unexpected bill at the beginning of the year, will the payments all count toward my deductible?

A: Yes, your deductible and out-of-pocket maximum will be applied to the total cost of care at the time of service, even if you enroll in a payment plan on the out-of-pocket maximum amount.

Q: What does catch-up contribution mean?

A: Catch-up contributions are meant to give you the opportunity to better fund your HSA before you are Medicare-eligible. From age 55 to 65, you can contribute an extra \$1,000 every year. For example, the extra funds can then be used to pay Medicare premiums.

Q: Is the catch-up contribution only for the account holder?

A: Yes, only the account holder may contribute the extra \$1,000 catch-up contribution after age 55.

Q: If my spouse is age 65+, can they use my HSA funds?

A: A spouse age 65+ can use HSA funds, however they will not be able to contribute to the HSA.

Q: How are interest rates determined?

A: Basic interest rates can be found on WEX's website, investment interest rates will depend on where your funds are invested.

Q: Are my invested funds frozen, or will they always be accessible?

A: Invested funds usually have a waiting period before they are accessible. A balance of \$2,000 is required before you can invest.

Q: Can I roll my funds into a different investment amount?

A: It is recommended that you contact your tax advisor for investment advice. While you can transfer funds to investment accounts, this may not be the best option for your unique situation.

Q: If I have an HSA from a previous employer, are there limitations on qualifying for this plan, and the HSA account?

A: If you have a previous HSA, you will still be eligible to enroll in the QHD/HSA. You will want to assess your own situation and determine whether you would like to roll the funds from your previous HSA into the new account.

Q: Am I required to make a minimum contribution to my HSA before I can receive the employer contribution?

A: No, you are not required to contribute to your HSA to receive the employer contribution.

Q: If I change my mind and switch to a different medical plan during a future enrollment period, will I keep my HSA funds and be able to use them?

A: You will no longer be able to make contributions to your HSA if you are not enrolled in a QHD plan. However, all funds in the HSA belong to you and can be used at any time.

Q: Are childcare expenses (Dependent-Care FSA) separate from the HSA?

A: Yes, if you are enrolled in a Dependent-Care FSA account, you will not be disqualified from contributing to an HSA.

Q: How do I ensure that the HSA will not be funded past the IRS allowed annual contribution?

A: The system will be set up to stop payroll deductions once you reach the maximum annual contribution. If you are not making automatic payroll deductions, you will be responsible for ensuring your deposits do not exceed the limit.

Q: Will annual referrals for providers be required?

A: You will not be required to obtain referrals. However, pre-authorization may be required for some services. Please note, as the QHD is a consumer-driven plan, it is your responsibility to ensure that referred or authorized providers are in-network.

Q: Is lab work for an annual physical fully covered?

A: If the medical code used for billing states the lab work is preventative, it will be fully covered.

Q: How can I receive more specific details about each plan option?

A: Your annual enrollment packet will contain plan summaries for every option available to you.

Q: Are the in-network and out-of-network deductibles separate?

A: Yes, the deductibles are completely separate.

Q: If my dependents are not eligible to contribute to my HSA but they are covered under the QHD plan, will their medical care costs apply to my deductible?

A: Yes, the QHD and HSA are two different elements. The QHD is the benefits plan, whereas the HSA is a tax-advantaged bank account that is used to pay for medical expenses.

Q: If I have more than 2 dependents, does the family deductible increase?

A: No, the family deductible is the same for 2 or more dependents.

Q: Is double coverage allowed under the QHD plan?

A: Yes and no. The Hanford plans do not allow you to be covered as the “employee” and as a “dependent”. You and your spouse could be enrolled in different QHD plans. You would need to determine if this is of value in your situation. If your spouse is enrolled in a non-QHD plan, you could have eligibility issues with the HSA. It is best to talk with your financial advisor to determine the best path forward.

Q: If my non-tax dependent is covered by my QHD plan and opens their own HSA, are the individual contributions separate?

A: Yes, individual contributions to separate HSA accounts owned by non-tax dependents do not count toward your personal contribution limit.

Q: Is the QHD plan network nationwide? How do I see the enhanced (90% covered by QHD plan) provider list?

A: The QHD network is nationwide, you can search by region using the Kaiser provider search. Using this search will allow you to filter enhanced providers only.

Q: Are claims automatically paid from the HSA account when using a QHD in-network provider?

A: No, it is your responsibility to make the payments for your medical bills by either using the WEX debit card or submitting a reimbursement claim. It is recommended that

you wait until you receive your Explanation of Benefits (EOB) from Kaiser prior to paying medical bills.

Q: Is there a restriction on Over-the-Counter medications?

A: There are many over-the-counter medications that are covered. There will be a link posted on the QHD website referring you to the list of covered medications.

Q: Does WEX have service fees?

A: The company covers service fees for the HSA account on your behalf during your employment.

Q: If I leave the company, what is the monthly fee for the HSA?

A: The service fee for an individual HSA is \$3 per month. If you decide to close your HSA, you may be charged a \$25 account closing fee.

Q: Does the HSA have a transaction fee?

A: No, there is no transaction fee associated with an HSA.

Q: What happens if someone steals my HSA debit card?

A: Please notify WEX immediately so that they can lock and replace your card.